

**REPORT/RECOMMENDATION TO THE BOARD OF SUPERVISORS
OF SAN BERNARDINO COUNTY, CALIFORNIA
AND RECORD OF ACTION**

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June 24, 2003

FROM: **ROGER WEAVER**, Director
Fleet Management Department

SUBJECT: **PURCHASE FIXED ASSET—COPY MACHINE**

RECOMMENDATION: Authorize the Fleet Management Department to purchase an unbudgeted fixed asset, a copy machine, with unused 2002-03 fixed asset appropriation in the amount of \$7,840.

BACKGROUND INFORMATION: In January 2003, in an effort to mitigate the budget crisis, the Board implemented a policy requiring departments to seek authorization to purchase any fixed assets. On April 29, 2003, Fleet Management sent a requisition to the Purchasing Department to purchase a new copy machine. The department made this request because the lease on the existing copy machine was set to expire in May 2003. The department had originally intended to renew the existing lease; however, after conducting a lease versus purchase cost analysis the department determined that purchasing a new copier is more cost effective than continuing to lease. The total three-year lease cost is expected to be \$15,660. The total cost of purchasing a new copier including a 36-month maintenance contract totals \$9,460, a savings of \$6,200.

Per County Administrative Office direction, the department contacted the Human Services System (HSS) to determine if a surplus copier were available that would meet the department's needs. Although HSS did not have a surplus copier to meet the Fleet Management Department need, HSS was instrumental in assisting the department in the selection of a suitable, cost effective machine. The recommended vendor, Minolta Business Solutions, participated in Request for Proposals P-7 and was awarded a contract by the Board on February 11, 2003 for photocopiers, supplies, and maintenance for the County.

In 2002-03, the Fleet Management Department's Garage budget (ICB VHS) included fixed asset purchases of \$316,000, which included an air hoist, tire machines, forklift, service truck crane, and other various tools and equipment. Fiscal year to date, there have been no fixed asset purchases in this budget unit. Approval of this item will authorize the substitution to purchase a new copier instead of the items originally included in the department's budget. This will enable the department's business office to perform their daily operations in an efficient manner.

REVIEW BY OTHERS: This item has been reviewed by the Purchasing Department (Aurelio De La Torre, Director) on June 11, 2003 and the County Administrative Office (Daniel R. Kopp, Administrative Analyst) on June 13, 2003.

FINANCIAL IMPACT: Sufficient fixed asset appropriation is available in the 2002-03 Fleet Management Department's Garage budget (ICB VHS). The purchase price of the copy machine is \$7,840. The cost for a 36-month maintenance contract is \$1,620 (\$45 per month x 36 months) for a total cost of \$9,460.

COST REDUCTION REVIEW: The County Administrative Office has reviewed this agenda item, concurs with the department's proposal, and recommends this action based on three year cost savings of \$6,200 to purchase a copy machine as opposed to leasing one.

SUPERVISORIAL DISTRICTS: All

PRESENTER: Roger Weaver, Director, 387-7870

Record of Action of the Board of Supervisors

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